



Uranium Energy Corp

RADIOACTIVE  
MATERIALS DIVISION

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June 27, 2012

Mr. Zak Covar  
Executive Director  
Texas Commission of Environmental Quality (TCEQ)  
P. O. 13087  
Austin, Texas 78711-3087

Re: Request for Aquifer Exemption Area Reduction: UEC Permit No. URO3075

Dear Mr. Covar:

The aquifer exemption (AE) area at UEC's Goliad Project Site comprises 423.8 acres. Upon additional evaluation of the AE area relative to the fully delineated production areas, UEC wishes to have the AE area reduced in size. Revising the AE area downward further minimizes the exempted area needed for uranium recovery. In this regard, UEC has enclosed a revised map entitled: **Revised Aquifer Exemption Map**. In addition to the map, the following summary discussion is provided to address the revised map features and other important AE considerations.

As can be seen from the legend on the map, nearly 117 acres have been removed from the original 423.8 acre area. The revised AE will comprise a total of 307 acres. Regional and local groundwater flow is also depicted on the revised map. Regional flow is from the Northwest to the Southeast but local flow in the area between the Northwest Fault and the Southeast Fault assumes an easterly direction. Local groundwater flow was thoroughly examined during the processing of UEC's permit applications, and it is based on comprehensive site-specific geohydrologic data. This information is in the permit applications and assessments associated with the permit applications. The assessments just noted also show that the regional gradient mean is 0.00220 ft/ft, while the gradient mean within the AE area, which is between the Northwest and Southeast faults, is significantly smaller at 0.00061 ft/ft. Expressed in terms of feet per year, regional groundwater moves at approximately 55 ft/yr and the local groundwater rate is approximately 15.25 ft/yr. While updating and revising the AE area, existing drinking water well locations within and very near ¼ mile of the AE boundary were updated. The revised map shows a total of five wells within a ¼ mile of the AE boundary and one well (number 27) outside the boundary.

Because of the gradient and direction of regional flow, wells 8, 9, 14 and 21 cannot capture water from the AE area. Similarly, capture zones for the Braquet well and well 27 cannot intersect the AE boundary because of the hydraulic nature of the graben. As shown on the map, local flow direction is from West to East. Also, as noted above, the gradient in the graben is much smaller than the regional gradient.



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UEC wishes to thank you in advance for your assistance in this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Harry L. Anthony'. The signature is fluid and cursive, with a large, sweeping 'H' and 'A'.

Harry L. Anthony  
Chief Operating Officer